

In connection with the proposed acquisition of the station racks and electrical equipment now owned by the Columbia Steel Corporation, it is necessary for this municipally owned Department of Water and Power, under the requirements of the City Charter, to prepare and issue formal specifications for purchases exceeding \$5,000.00. The issuance of a formal specification by the Department requires the following procedure:

After preparation of the specification by the design engineers, it must be approved by engineering Management, transmitted to the Purchasing Agent for preparation in the approved legal form for formal specifications, approved by the City Attorney's office for form and legality, and signed by the Chief Electrical Engineer before advertisement for bids can be accomplished.

After allowance of reasonable time to prepare bids, they are returned to the Purchasing Agent and forwarded by him to the engineers for analysis. An engineering recommendation covering the award is prepared by the design engineers, forwarded to the Purchasing Agent, approved by the City Attorney's office for form and legality, and submitted to the Chief Electrical Engineer. Upon approval of the recommendation of award by the Chief Electrical Engineer the Board of Water and Power Commissioners officially awards the contract to the successful bidder.

It can be seen that from the above that considerable time is consumed from the time the specification is originated until the final award is made. Under normal conditions, this procedure requires from 90 to 120 days for consummation. We are exercising every effort to expedite the specifications for purchase of the station racks and equipment and it is hoped that by closely following the specification from origination to issuance that we can cut the above procurement time to some time between 45 and 60 days.

In conjunction with the proposed purchase of the station racks and electrical equipment, we are enclosing as appendix "A" an inventory of this equipment. The estimated present replacement cost of the equipment and its depreciated value based on 28 ~~year~~ life is indicated. It is our opinion that a fair and equitable price for this equipment would be approximately \$176,000.00, when costs of rehabilitation are taken into account. In the event that the Department purchases the station equipment, we would remove all racks and equipment installed on the pads and rack piers. The Department would not, however, be responsible for site clearance and will leave undisturbed all concrete work which has been constructed as a part of the station as well as the rail tracks to serve the transformers.